

MEETING MINUTES

Kentucky Soil and Water Conservation Commission Kentucky Association of Conservation Districts

Joint Meeting Holiday Inn Express Friday, February 7, 2014 - 9:00 am Two Hundred and Eighty - Six Meeting

In Attendance: Dan Ellison, KACD President; David Rowlett, KACD Vice President; Shane Wells, KACD Secretary-Treasurer; Jeff Rice; Betty Barrick; KACD Auxiliary President; John Chism; David Cowherd; Rodney Bruce; Rod Murphy; Joe Paul Mattingly; Orville Bennett; Allan Bryant; Bobby Wilson; Jack Roberts, Vice – Chairman, Kentucky Soil And Water Conservation Commission; Danny Shipley; Bill Doolin; Sanford Holbrook; Ray Adams; Peggy Conway; Others present: Deputy Commissioner Sandy Gruzesky, Leah MacSwords, Director of Forestry; Ira Linville, Franklin County Conservation District Supervisor; Reed Cripps, NRCS; Clifford Thornton, NRCS; Steve Kelly, KDA; Paulette Akers, DOW; Brian Hacker, RC&D Council; Leslie Fourqurean, President KACDE; and Ava Adams.

Also in attendance were the Division of Conservation employees Kim Richardson, Director; Johnna McHugh, Assistant Director; and Angella Reynolds. Quorum was met.

Meeting called to order - at 8:56 a.m. and introductions were made by KACD President Dan Ellison, and SWCC Vice – Chairman, Mr. Jack Roberts. SWCC Chairman John Denton was absent due to a health related issue.

SWCC Minutes of the Last Meeting - November 18, 2013

Correct name Kevin Tuttle to Clifford Thornton on the NRCS Agency report. Motion to approve the minutes with correction was made by Mr. Ray Adams, motion seconded by Mr. Sanford Holbrook. **Motion carried**

KACD Minutes of the Last Meeting - November 12, 2013

Motion to approve the minutes as presented was made by Mr. John Chism, motion seconded by Mr. David Cowherd. **Motion carried.**

KACD Treasurer, Mr. Shane Wells presented the KACD Treasurer's Report. Mr. Wells made the motion to accept the report as presented, motion seconded by Mr. David Rowlett. **Motion carried.**

KACD Accounting – Mr. Chism made the motion to discuss KACD financial status during a “closed executive session” at the end of the official joint meeting; motion seconded by Mr. Cowherd. **Motion carried.**

KACD Correspondence was presented by Mr. Dan Ellison.

1. A “thank you” note and a reminder of dues were received from NACD. Kentucky was recognized as 9th in the nation for its NACD contributions at the NACD national meeting.
2. A letter of request from Spencer County asking for sponsorship of the National FFA Dairy Judging contest of \$50 to \$1000.
3. A letter of request from the Kentucky 4-H club for sponsorship of \$100.00 to \$1000.00. Donation of \$500 was made in last year.
4. A “thank you” note and a letter of request were received from the Kentucky Young Farmers Association asking for continued sponsorship.

Motion made by Mr. Rowlett to reduce the funding of previous sponsorships by ½ of what was donated the year prior. The 4-H club program and the Young Farmers Association have allocated funding in the current budget. Donations are to be accompanied with a letter explaining the reduced amount of sponsorship being contributed due to the restricted budget of the KACD Board at this time. Motion seconded by Mr. Rodney Bruce. **Motion carried.**

Motion made to decline the Spencer County request for donation was made by Mr. Bruce, motion seconded by Mr. Cowherd. **Motion carried.**

Statement of Operations – For Fiscal Year 2013 – 2014

Motion made to accept the Statement of Operations as presented was made by Mr. Holbrook. Motion seconded by Mr. Shipley. **Motion carried.**

Vacancy Petitions for Conservation District Supervisors Appointments

Trimble County

Blake Nelson to serve unexpired term of Jonathan Turner (2012).

Campbell County

Gretchen Vaughn to serve unexpired term of Gene C. Dobbs (2016).

Per Diem

Martin County

Tom Dials - Attended Area 8 meeting and 12-ten minute trainings sessions.

Russell County

Mark Antle - Attended all monthly supervisors trainings & 2013 State Convention.

Charles Scott Grider - Attended all monthly supervisors trainings & 2013 State Convention.

Motion made to accept the Vacancy Petition and the *Incentive Pay for Supervisors Per Diem* on the basis of meeting of all qualifying events of training for the fiscal year of 2014– 2015 as required was made by Mr. Holbrook and motion seconded by Mr. Billy Doolin. **Motion carried.**

Agriculture District Program

Seven (7) agricultural districts have been submitted to the Commission for 5-year recertification for a total of 3,481.33 acres.

Motion made to approve the requests for 5-year recertification by Mr. Doolin, motion seconded Ms. Peggy Conway. **Motion carried.**

NACD Director's Report

Mr. Kevin Jeffries reported to KACD President Ellison that there were over 650 people in attendance at the NACD national meeting, 46 states were represented. Mr. Jeffries received the National Association of Conservation Districts Employees Association Nationwide Outstanding Supervisor Award. President Ellison acknowledged NACD's continued efforts to getting the Farm Bill passed. Mr. Clifton Thornton, Mr. Bruce, and Mr. Brian Hacker were also in attendance. Mr. Hacker reported that Ms. Carol Edwards of Nashville, Tennessee, was the national winner of District Employees Award, and Kentucky received the Supervisors Training Award. Mr. Hacker was contacted by Mr. John Finch to speak in place of Mr. Gene Smith at the Stewardship meeting. Due to MOUs not being met and additional issues that need to be resolved, the 2014 National Environthon has been canceled. Mr. Bruce reported that the meeting was interesting. He attended breakout sessions that were very helpful and educational. He noted that Mr. Jeffries was very gracious in introducing him to everyone and instructing him as to the NACD processes.

KACD Auxiliary Report

Auxiliary President Betty Barrick was glad to return, she had been out for 2 months due to illness. The KACD quilt creation is under way. She presented 5 examples of the blocks to be used for the southeast convention Kentucky themed quilt. She is missing 5 to 6 counties, she currently has 40 blocks. They will be selling tickets at the state meeting. KACD Auxiliary Scholarships are coming in. They are looking for entries for the non-traditional category; all information can be found on the DOC website. Entry numbers have been down the past few years and asked that everyone make an attempt to get the information out to their counties. She thanked everyone for the present and current support. This is going to be her last term as president. She has not heard from anyone regarding the SE NACD meeting that she was not able to attend. They are currently in the process of changing the NACD Auxiliary bylaws. Mr. Ira Linville thanked Ms. Barrick and the Auxiliary for the good work that they do.

Division of Conservation Report

All area meetings have been scheduled for 2014.

- Area 1 – February 19, Lyon County, at the Lyon County convention center.
- Area 2 – February 18, Hopkins County at the extension office.
- Area 3 – March 18, Barren County.
- Area 4 – February 24, Spencer County at the extension office.
- Area 5 – March 12, Kenton County
- Area 6 – March 10, Garrard County.
- Area 7 – March 5, Somerset.
- Area 8 – March 1, in Magoffin County.
- Area 9 – April 4, at Buckhorn.

There will be a KACD officer election for the even numbered areas and Commission elections for areas 3, 5, and 6. Two nominations will be needed from the Commission for these three counties.

Ms. Kimberly Richardson is open to topic changes for the area meetings. Please feel free to contact her with any agenda changes.

Tree Bags – Currently out of tree bags, will receive more on March 1st. The bags will be delivered at the area meetings to reduce shipping costs.

Water Quality Trading Project in Northern Kentucky is a trading project currently going on in Kentucky, Ohio, and Indiana. This project will pertain to implementing best management practices to reduce phosphorous and nitrogen seeping into waterways. This is the first multi-state trading program. The division has been working with Electronic Power Resource Institute (EPRI) and the American Farm Land Trust. Additional assistance has been provided by NRCS, Boone, Bracken, and Mason counties. Ohio and Indiana are ahead of Kentucky in getting practices on the ground and contracts with landowners. Much of this could be contributed to timing; there were issues concerning the “memorandum of understanding” and lack of technological assistance. Mr. John Stork, Boone County, has assisted by providing technological education and support to the other two counties. There is a need to start pushing this Water Quality trading. Due to budgetary constraints, it is wise to look into new funding sources such as public funding to get best management practices on the ground. Ms. Richardson asked that they start to work with the districts to get contracts with landowners and these water quality practices implemented. Practices must be new practices to the producer to qualify. Practices are comparable to the State Cost Share practices. This pilot program is to establish new credits that will be created by the farmers and purchased by private industries. This is to assist with the dead zone in the Gulf of Mexico. The three countries were chosen due to a grant study that they participating in. This program will be measured by the scope of its success on a smaller scale prior to a larger scale implementation. Funds of \$100,000 per county have already been received through EPRI. There was open discussion regarding the modification of recommendations. All were invited to attend a NRCS State Technological open meeting February 13th at 9:00 a.m. at the NRCS main office in Lexington.

2014 and 2015 Budget

Governor Beshear presented a proposal budget a few weeks ago, which included the zeroing out of the 2014 tobacco settlement funds. This is the \$2.5 million that the Commission allocated for state cost share in July 2013. For 2015 the proposed tobacco settlement money is \$3 million, including the \$2.5 million already allocated leaving \$500,000 for the 2015 State Cost Share funding; and in 2016, \$1 million in state cost share funding. There will be \$1.5 million removed from the equipment revolving loan program, leaving \$980,000 available in this program. The proposed budget also removes 5% out of the overall DOC budget, equating to \$123,100 in losses. There is no other way to cut the DOC budget other than the removal of staff, which would be detrimental to the department at this time.

New Business

The south eastern regional planning meeting is scheduled for after this meeting. It is a huge investment for KACD. President Ellison will be putting together a letter to guide area directors on how to promote the 2014 KACD Convention locally and explain its importance to the districts.

NACD Spring Fly-in to Washington D.C. to have a face to face meeting with Congressional members. Open discussion regarding what level of participation KACD will be able to have. Scheduled for March 24-26; currently budgeted at \$10,000 for travel; estimated around \$1000 per person.

Motion made by Mr. Cowherd that the executive officers make the decision as to who should attend to the NACD Spring Fly-in based on what is in-line with the KACD budget as to the attendance of the Spring Fly-in, seconded by Mr. Bruce. **Motion carried.**

Agency Reports

Department of Agriculture - Mr. Steve Kelly thanked everyone for the Legislation Reception hosted at the KSU Research facility the night before. Commissioner Comer was glad that he could attend. The Governor's proposed budget did not hurt their agency as it hurt the DOC. Though they lost 5% of their overall budget, they did not lose any funding from their restricted accounts. They are working with finance to consolidate their space to relieve rental property costs. The fuel lab will be converted and utilized by Animal Health. Address and phone number changes will be posted online.

On February 17th they will be making an announcement concerning revitalization plans for Eastern Kentucky. This will affect 39 coal counties. Senators McConnell and Paul will be in attendance. All details available online.

Agriculture contributed funds to DOC of \$600,000 will remain the same as last year, if nothing drastic occurs in the House or the Senate. Mr. Kelly advised everyone to contact Senators and Representatives concerning the potential loss of all 2014 GOAP funds.

Natural Resources Conservation Service - Mr. Clifford Thornton reported that at 10 a.m. the President was to sign the Farm Bill. This will stop the way that everything is being done. NRCS does not have a handle on their own current budget until details from the Farm Bill are settled. President Ellison asked about the expected time line of consolidation of NRCS's programs being downsized to 12 or 13. Mr. Thornton had no specific details because the laws have not filtered through to the field representatives or producers yet. There is the possibility for user fees of services that they have currently been providing for free from the USDA, such as technological support.

Logo change has been an issue for NRCS and USDA. The expense of a logo change is too expensive. NRCS will still be identified by their rain drop logo. Future NRCS information and services will have both USDA and NRCS logos.

NRCS will continue to support the NACD Conference. They are currently planning a budget for their participation; once finalized it will be submitted to Chief Jason Weller for approval 90 days prior to the event.

Strike Force Initiative – Over 73 counties do outreach through education by creating NRCS assistance awareness. Since 2009 they have invested \$40 million dollars into the emergency watershed protection programs and \$1.8 million has already been provided in disaster relief efforts. NRCS has purchased 19 properties totaling over \$2 million through the EWP Flat-Plain Easement Program. They will be purchasing a total of 27 properties in Pike, Owsley, and Floyd Counties that are within the Strike Force Area.

The State Technology meeting is due to be held February 13th. It is an excellent opportunity for any additional input or questions concerning the Water Quality training and cover crops. There is also a Soil Health meeting that will be taking place in Omaha, Nebraska on February 18th concerning cover crops. This meeting will be video-conferenced. All are welcome to view or participate in the video-conferenced meetings.

Kentucky Department for Natural Resources - Deputy Commissioner Sandy Gruzsky reported that the DNR budget it is not final. It will affect staffing levels and DNR programs will be limited. Many programs will have to be prioritized per importance.

The EPA's requirements concerning the Gulf Hypoxia situation is being addressed. Ms. Paulette Akers reported that the Division of Water is working on a proposed outline of the Nutrient Reduction Strategy. She is hoping they will have a draft for review sometime in early March of this year. DOW will be asking for feedback from the public sometime in May. Deputy Commissioner Gruzsky added that the Nutrient Reduction Strategy helps to meet Kentucky's obligations to the Gulf Hypoxia. It is important to be able to say with credibility that Kentucky's Ag Water Quality plan is being consistently implemented.

Ms. Richardson is forming a group to discuss the cost share prioritization. Many of the districts do not feel that there is fairness as to how the state cost share program is rated. State cost share and the AWQA need to go together more hand in hand to provide those in the field with a better understanding.

University of Kentucky - Dr. Steve Higgins was not in attendance

Kentucky Division of Forestry - Ms. Leah MacSwords reviewed forestry's 2013 restructure and revisions. The newly proposed budget does not support the newly revised structure. She is hoping that they will not lose any addition people. Reconstruction of the Morgan County nursery, which will be state of the art, is due to be completed in March. Its creation did lessen the number of employees due to its efficiency. Shipment time will be reduced, creating a shorter turn-around time on plant delivery.

After the 2012 tornadoes the Arbor Day Foundation volunteered to assist with plant restoration for counties affected by the storms. Through corporate sponsorship (FedEx, Lexmark, Erie Insurance, and Wyndham Hotels) they will be adding an additional 5000 seedlings. In addition these companies will host an event so their employees can assist the counties in the seedling process. They will be starting with Campbell, Johnson, Laurel, Menifee, and Wolfe Counties; next year they will pick 5 different counties.

The Emergency Forest Restoration Program was finalized and appropriated by Congress for 2012. There will be \$2.5-\$3 million available for restoration and technological assistance to restore their forest lands destroyed by tornadoes.

KACDE - President Leslie Fourqurean reported that the mid-year board meeting is in a few weeks. They will be planning for their conference in September. They will be having area workshops. She asked that supervisors offer ideas for these workshops as to what they would like to see their employees concentrate on. Training will be offered with Dr. Higgins of U.K. This training is not mandatory. Next one will be in Western Kentucky at Princeton. Class is to be more in depth than the ones offered last fall. She will provide additional information in the spring area meetings.

A motion to adjourn the Soil and Water Conservation Commission was made by Mr. Holbrook, motion seconded by Mr. Adams.
Motion carried, meeting adjourned at 11:10 a.m.

KACD Accounting

A recommendation for a change involving the current manner in which KACD financial transactions were being processed was discussed. There was concern regarding the current KACD financial procedure that is being implemented in that the practice would not pass an audit if performed by the State Auditor, which would cause harm to the reputation and integrity of KACD, the Division of Conservation, and the entire Cabinet. There was discussion that all KACD financial matters should be handled by someone other than Division of Conservation state personnel. Creation of a process and/or procedure manual was discussed.

There was discussion of obtaining the services of Ms. Terri Shaw, an employee of the Franklin County Conservation District, who is familiar with DOC operations and the functions of the KACD Board. This will serve to keep vital information needed by the DOC staff for programs and procedures in Franklin County. KACD funds are not to flow through the Franklin County C.D. budget. Franklin County District Supervisor Ira Linville is supportive of Ms. Shaw’s assistance; he noted that no funds for her services for KACD will be coming through the district. Ms. Shaw will be expected to be accountable for her hours. The KACD account will be audited prior to it being turning over. Ms. Shaw’s involvement would entail KACD financial matters only, such as: receipt of dues payments, registration fees for conventions, Envirothon fees and tree bag purchases. All records are to be recorded and processed through Quicken software. All other correspondence is to be sent to the Division of Conservation, 2 Hudson Hollow, Frankfort, KY 40601. While all transactions involving money or checks made payable to KACD should be mailed to KACD, attention: Terri Shaw, 103 Lakeview Court, Frankfort, KY 40601. Examples of such payments are dues, registration fees for conventions, Envirothon fees and tree bag purchases. All other correspondence should be handled as it has been handled in the past and sent to the Division of Conservation, 2 Hudson Hollow, Frankfort, KY 40601.

Motion was made by Mr. Chism to sign a contract with Ms. Terri Shaw for a one year trial to handle the KACD accounting for \$600. This contract is to include her responsibilities and procedures. Her services are to be reviewed at the end of that years’ time. Motion seconded by Mr. Cowherd.
Motion carried.

Motion was made by Mr. Chism that any involved personal, including the two signatories of checks are to be bonded. Additionally all financial transactions should follow the Districts in Good Standing requirements. Motion seconded by Mr. Cowherd. **Motion carried.**

Motion was made by Mr. Cowherd that the executive officers are to continue with the pursuit and clarification of this matter prior to the next board meeting. The executive committee is to report their actions and outcome until finalized. Motion seconded by Mr. Mattingly. **Motion carried.**

President Ellison will send a letter out to the conservation districts explaining the changes and the reasons for the changes prior to the area meetings

President Ellison official announced that he will not be running again for KACD president nor will he be serving on the local county board.

A motion to adjourn was made by Mr. Chism, motion seconded by Mr. Rowlett.
Motion carried, meeting adjourned at 12:28 p.m.

Next Meetings will be held:

- 1. KACD Board of Directors: March 11, 2014
- 2. SWCC-March 17, 2014

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